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THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

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FILE

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9201118

Honorable Jack Fields
House of Representatives
108 Cannon House Office Building
Washington, D.C. 20515-4308

MAY - 7 1992

Federal Communications Commission
Office of the Secretary

EX PARTE OR LATE FILED

Dear Congressman Fields:

Thank you for your letter regarding the petition for rulemaking filed by Communications Satellite Corporation (COMSAT). As you observe, COMSAT seeks a change in the Commission's Rules that would "cap" its current rates for multi-year carrier switched-voice services.

In a March 5, 1992 Public Notice, the Commission requested comment on the COMSAT petition. We have received comments from Sprint Communications Company L.P.; IDB Communications Group, Inc.; MCI Telecommunications Corporation; Pan American Satellite; and American Telephone and Telegraph Company.

The Commission is reviewing the comments and plans to address this matter expeditiously. I believe that the concerns expressed in your letter will assist us in reaching a decision on the request for rulemaking. We all seek a course of action that will result in a reasonable and fair solution for COMSAT which best serves the public interest.

Sincerely,

Alfred C. Sikes
Chairman

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Congressional

CONGRESSIONAL CORRESPONDENCE TRACKING SYSTEM
04/10/92

LETTER REPORT

CONTROL NO.	DATE RECEIVED	DATE OF CORRESP	DATE DUE	DATE DUE OLA(857)
9201118	04/10/92	04/07/92	04/23/92	04/21/92

TITLE	MEMBERS NAME	REPLY FOR SIG OF
Congressman	Jack Fields	ACS

CONSTITUENT'S NAME	SUBJECT
personal view	COMSAT international rule making

REF TO	REF TO	REF TO	REF TO
CCB	INTERN,	TARE	

DATE	DATE	DATE	DATE
04/10/92	4/10/92	4/13/92	

REMARKS: COMSAT

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COMMITTEE ON
ENERGY AND
COMMERCE
COMMITTEE ON
MERCHANT MARINE
AND FISHERIES

Congress of the United States

House of Representatives - Washington, DC 20515-4308

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April 7, 1992

The Honorable Alfred C. Sikes
Chairman
Federal Communications Commission
1919 M Street, N.W.
Room 814
Washington, D.C. 20554

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LEGISLATIVE AFFAIRS
OCPA

Dear Chairman Sikes:

I am writing to express my support for initiating a rulemaking on incentive-based regulation for switched-voice INTELSAT services, a position recently proposed in a petition filed by COMSAT. The petition requests that COMSAT be allowed more price flexibility with its rates. As you know, COMSAT remains the only U.S. common carrier that is fully rate regulated. Therefore, granting COMSAT this regulatory relief would not only be consistent with current treatment of other international carriers, but also would bring additional benefits to its numerous users.

The last time the commission reviewed COMSAT's regulatory framework was seven years ago. Since that time, considerable change has occurred in international communications, the primary change being the emergence of new competition through both fiber optic undersea cables and separate satellite systems. Due to this changing international marketplace and the fact that the Commission has recently shifted from its rate-based regulatory treatment for other U.S. carriers to an incentive based system, I share COMSAT's objective that their voice services be regulated as any other carrier would be. Also, given President Bush's recent deregulatory initiative, this incentive-based regime is clearly consistent with his goals.

COMSAT believes an incentive-based system will provide many benefits to their customers and, more specifically, Third World countries that heavily depend on satellite communications. Satellites hold the most potential for Third World countries to communicate with the developed world, because other media, such as fiber optics, are prohibitively expensive and do not service less populated areas as well as satellites. With the new incentive-based system COMSAT is proposing in place, lower rates will be available worldwide. The ability to allow Third World countries to easily communicate with the developed world clearly supports the vision of both COMSAT and our long range foreign policy goals.

PLEASE RESPOND TO:

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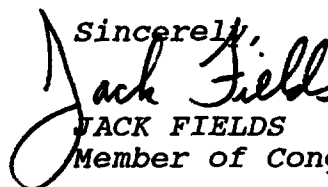
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The Honorable Alfred C. Sikes -- Page 2

I applaud COMSAT's petition for a rulemaking and strongly encourage the commission to move forward with it. Please let me know if I can be of any assistance.

I look forward to hearing your thoughts on this proposal.

With all best wishes, I am

Sincerely,

JACK FIELDS
Member of Congress

JF:gg